

**KENTUCKY TEACHERS' RETIREMENT SYSTEM
MINUTES OF THE QUARTERLY MEETING OF THE BOARD OF TRUSTEES
March 21, 2011**

Under authority of KRS 161.290(1), the Board of Trustees of the Teachers' Retirement System of the State of Kentucky convened in Regular Session in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky, at 9:00 a.m., ET, Monday, March 21, 2011.

Board Called to Order

Barbara G. Sterrett, Chair, called the meeting to order.

Roll Call

Members present were:

Laura A. Zimmerman

Barbara G. Sterrett

Ruth Ann Sweazy

Tom Shelton

Robert M. Conley

Todd Hollenbach, State Treasurer (joined the meeting at 9:55 a.m.)

Kathy Jennings, Proxy for the Commissioner of Education (joined the meeting at 9:10 a.m.)

Others present were:

Gary L. Harbin, Kentucky Teachers' Retirement System

Eric Wampler, Kentucky Teachers' Retirement System

Robert Barnes, Kentucky Teachers' Retirement System

Paul Yancey, Kentucky Teachers' Retirement System

Kevin Carrico, Kentucky Teachers' Retirement System

Mark Whelan, Kentucky Teachers' Retirement System

Leeann G. Uebel, Kentucky Teachers' Retirement System

Erlynne Crowe, Kentucky Education Association-Retired

Fred Hester, Kentucky Education Association-Retired

Item 1 – Reports for Consent:

Chair Sterrett reviewed the draft minutes of meetings and asked the Board and Committees to take action on the minutes.

BOARD ACTION:

Quarterly Meeting of the Board of Trustees held December 21, 2010: The Board considered the minutes of the Quarterly Meeting of the Board of Trustees held December 21, 2010. Upon motion duly made by Ms. Zimmerman, and seconded by Mr. Conley, the minutes were unanimously approved by the Board as written.

COMMITTEE ACTION:

Special Meeting of the Scholarship Committee held December 20, 2010

The Scholarship Committee considered the minutes of the Special Scholarship Committee Meeting held December 20, 2010. Upon motion duly made by Ms. Zimmerman and seconded by Ms. Sweazy, the minutes were unanimously approved by the Committee as written.

Special Meeting of the Insurance Committee held September 20, 2010

The Insurance Committee considered the minutes of the Special Insurance Committee Meeting held September 20, 2010. Upon motion duly made by Ms. Sweazy and seconded by Mr. Shelton, the minutes were unanimously approved by the Committee as written.

Special Meeting of the Nominating Committee of the Board of Trustees held February 10, 2011

The Nominating Committee considered the minutes of the Special Nominating Committee Meeting held February 10, 2011. Upon motion duly made by Mr. Conley and seconded by Ms. Sweazy, the minutes were unanimously approved by the Committee as written.

Special Meeting of the Governance and Audit Committee Meeting Held December 20, 2010

No action was taken on the minutes of the Special Meeting of the Governance and Audit Committee held on December 20, 2010.

Applications for Retirement and Annuity, Survivor Benefits, Life Insurance Benefits, and Refunds: Mr. Wampler reported to the Board regarding benefit payments. Chair Sterrett asked the Board to take action on the report of benefit payments.

BOARD ACTION: Upon motion duly made by Mr. Conley, and seconded by Ms. Sweazy, the Applications for Retirement and Annuity, Survivor Benefits, Life Insurance Benefits, and Refunds were unanimously approved by the Board as reported.

Interim Financial Statements: The Board considered the report on the Interim Financial Statements for the quarter ended December 31, 2010. The report was informational and the Board took no action on the Interim Financial Statements.

Item 2 – Report of the Investment Committee

Mr. Yancey reported to the Board concerning the activities of the Investment Committee and Investment Performance for the quarter ending December 31, 2010. Mr. Yancey also reported on a special meeting of the Investment Committee held on December 20, 2010 and also on February 10, 2011.

Chair Sterrett asked for questions or comments. Chair Sterrett asked the Board to take action on the report of the Investment Committee.

BOARD ACTION: Upon motion duly made by Dr. Shelton, and seconded by Ms. Jennings, the Board unanimously approved the Report of the Investment Committee.

Item 3 – Report of the Nominating Committee of the Board of Trustees

Dr. Jay Morgan, an elected active teacher trustee, resigned from the Board effective December 31, 2010, and the term for his position on the Board will expire on June 30, 2013.

The December 2010 Active Member Newsletter asked members to submit recommendations for candidates to fill the vacancy. Those submissions were forwarded to the Nominating Committee of the Board of Trustees.

On February 10, 2011, the Nominating Committee of the Board of Trustees had a special meeting to consider candidates to fill the vacancy on the Board. The Committee unanimously agreed to recommend Mr. Charles Ludwig for election to the Board for the unexpired term of the active teacher trustee. Mr. Ludwig was nominated by Sharron K. Oxendine, KEA President.

Chair Sterrett asked for questions or comments. Chair Sterrett asked the Board to take action on the recommendation of the Nominating Committee.

BOARD ACTION: The Board unanimously approved Mr. Charles Ludwig for election to the Board for the unexpired term of the active teacher trustee.

Item 4 – Report of the Administrative Appeals Committee

Mr. Wampler reported to the Board regarding the case considered by the Appeals Committee on February 10, 2011. The report was informational and the Board took no action on the Report of the Appeals Committee.

Item 5 – Consideration of Personal Service Contracts for FY 2011-2012

Mr. Wampler reviewed the memorandum regarding the Annual Renewal of Contracts. The report concerned contracts for legal services and the external auditor.

Chair Sterrett asked for questions or comments. Chair Sterrett asked the Board to take action on the report regarding the Annual Renewal of Contracts for FY 2011-2012.

BOARD ACTION: Upon motion duly made by Mr. Conley, and seconded by Dr. Shelton, the Board unanimously approved renewal of the contracts for legal services and external auditor, as reported.

Item 6 – Legislative Report

Mr. Barnes reported to the Board regarding the legislative session. Mr. Barnes report was informational and the Board took no action on the Legislative Report.

Item 7 – Executive Secretary’s Observations and Comments

Mr. Harbin presented his report to the Board and responded to questions and comments from the Board. Mr. Harbin’s report was informational and the Board took no action.

Mr. Harbin distributed an article written by State Treasurer Todd Hollenbach, which was printed in the two leading daily newspapers, and other media, in the state. The members of the Board expressed positive comments to Treasurer Hollenbach for the article.

Chair Sterrett suggested that the Board take action and adopt a resolution commending Treasurer Hollenbach for his article.

BOARD ACTION: Upon motion duly made by Mr. Conley, and seconded by Ms. Jennings, the Board voted unanimously to prepare a resolution commending Treasurer Hollenbach.

Adjournment

There being no further business to come before the Board of Trustees, and upon motion duly made by Mr. Hollenbach, and seconded by Ms. Zimmerman, and by unanimous consent of the Board, Chair Sterrett declared the meeting adjourned at 10:50 a.m.

CERTIFICATIONS

We, the Chair and the Executive Secretary of the Board of Trustees of the Kentucky Teachers' Retirement System, do certify that the Minutes of Meeting were approved by the Board on June 20, 2011.

Barbara Sterrett, Chair

Gary Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content, and legality.

Robert B. Barnes, Deputy Executive Secretary and General Counsel

I, Leeann Uebel, do certify that I was present at the meeting and duly recorded the actions of the Board of Trustees of the Kentucky Teachers' Retirement System at its meeting on March 21, 2011.

Leeann G. Uebel
Recording Secretary